Data Sources

Federal Funds Data: The principal data source we use to indicate geographic dispersion of program funding is the Consolidated Federal Funds Reports data from the U.S. Department of Commerce, Bureau of the Census. We usually refer to these data as the Federal Funds data. Census collects these data annually from each Federal department or agency. We aggregated the data to the county, State, region, and national level for each program for fiscal year 1994. (Unless otherwise specified, references to years are fiscal years.) The Census data for 1994 covered 1,206 individual programs, but not all of these programs had reliable data at the county level.

Each program has individual characteristics that affect the way the data show geographic patterns. For example, funds for many programs go directly to State capitals or regional centers that redistribute the money or program benefits to surrounding areas. Examples include block grant programs and some procurement programs that involve a substantial degree of subcontracting. Census screens the data to identify such programs, and we have added our own screen which separates out those programs which allocate 25 percent or more of their funds to State capitals. We ended up with 719 programs that we believe are fairly accurate to the county level for 1994. For the screened-out programs, we believe it is only meaningful to indicate geographic variations among States but not among counties. Thus, for some of the programs, we provide county maps and statistics, while for others we rely on State maps and statistics.

The benefits of Federal programs do not all go to the places that receive funds. For example, money spent on National parks benefits all who visit the parks and not just those who live where the parks are located. Such spillover benefits are present in almost all Federal programs and are not reflected in the Federal funds data. In addition, different programs affect communities in different ways and have different multiplier effects on local income, employment, and community well-being. Thus, even if the reported funding dispersion is considered to be an accurate depiction of where the funds are spent, care is required when interpreting the data as program effects.

Federal Funds data may represent either actual program expenditures or obligations, depending on the form of the data provided to Census. Direct loans and loan guarantees are reported according to the volume of loans obligated, and do not take into account interest receipts or principal payments. Consequently, these data do not always correspond to program totals reported in government budget documents, such as budget authority, outlays, or obligations (see definitions).

Budget Data: We obtained information on recent changes in program funding levels, such as the level and change in funding from 1995 to 1996, from various sources, including Congressional Quarterly Weekly Report, the President's Fiscal Year 1997 Budget, the 1997 budget summaries provided by major government agencies, Congressional legislation, conference reports, and legislative summaries, and from the most recent Catalogue of Federal Domestic Assistance. In some cases, we contacted budget officials by phone to obtain information.

Population Data: Per capita funding amounts were estimated using 1994 county population estimates from the Bureau of the Census.

Medicare and Medicaid Data: Estimates of Medicare and Medicaid coverage (and related estimates of income and employment) reported in this issue are derived from the March round of the monthly Current Population Survey (CPS) conducted by the Bureau of the Census. The CPS sample includes about 58,000 households that are representative of the U.S. civilian noninstitutional population. The March CPS provides detailed information about individual economic and demographic characteristics, including health insurance, income, and employment during the previous calendar year. The March 1995 CPS was affected by several changes in survey methodology that restricted information about metro-nonmetro differences to half the sample, reducing the reliability of estimates. Information about Medicare expenditures per beneficiary was calculated by the Rural Policy Research Institute (RUPRI), using data provided by the Health Care Financing Administration, U.S. Department of Health and Human Services. Information about physician gross practice revenue was provided by the American Medical Association, based on a national survey of physicians conducted in 1994. Information about community hospital net patient revenue was provided by the American Hospital Association, based on the 1993 Annual Survey of Hospitals.

Definitions

Typologies: Classification systems developed and periodically revised by ERS to group counties and States by economic and policy-relevant characteristics. The county typology codes used in this issue are those described in Peggy J. Cook and Karen L. Mizer, *The Revised ERS County Typology: An Overview*, RDRR-89, U.S. Department of Agriculture, Economic Research Service, December 1994. The State typology codes were first developed in Elliot J. Dubin, *Geographic Distribution of Federal Funds in 1985*, Staff Report AGES89-7, U.S. Department of Agriculture, Economic Research Service, March 1989, and were revised for this issue.

County Economic Types (mutually exclusive; a county may fall into only one economic type):

Farming-dependent—Farming contributed a weighted annual average of 20 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Mining-dependent—Mining contributed a weighted annual average of 15 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Manufacturing-dependent—manufacturing contributed a weighted annual average of 30 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Government-dependent—Federal, State, and local government activities contributed a weighted annual average of 25 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Service-dependent—Service activities (private and personal services, agricultural services, wholesale and retail trade, finance and insurance, real estate, transportation, and public utilities) contributed a weighted annual average of 50 percent or more of total labor and proprietor income over the 3 years of 1987-89.

Nonspecialized—Counties not classified as a specialized economic type over the 3 years of 1987-89.

County Policy Types (overlapping; a county may fall into any number of these types):

Retirement-destination—The population aged 60 years and older in 1990 increased by 15 percent or more during 1980-90 through inmovement of people.

Federal lands—Federally owned lands made up 30 percent or more of a county's land in the year 1987.

Commuting—Workers aged 16 years and over commuting to jobs outside their county of residence were 40 percent or more of all the county's workers in 1990.

Persistent-poverty—Persons with poverty-level income in the preceding year were 20 percent or more of total population in each of 4 years: 1960, 1970, 1980, and 1990.

Transfer-dependent—Income from transfer payments contributed a weighted annual average of 25 percent or more of total personal income over 3 years of 1987-89.

State Types (the first three types are mutually exclusive; a State may fall into only one category; the remainder are overlapping):

Because many Federal programs do not have accurate county-level data, we developed a State typology to assist in differentiating among types of States and their funding levels. First, we categorized States into three groups (rural, urban, and other) based on the percentage of a State's population residing in urban parts of metro areas. We defined four other types of States: farming-dependent, persistent-poverty, retirement-destination, and Federal lands. In each case, we used the same kinds of measures that were used to construct ERS's county typologies. However, the cutoffs were lowered because States have more internal socioeconomic diversity than most counties.

ERS's State types are defined as follows:

Rural/small town—In 1993, 45 percent or less of the State's population resided in urban portions of the metro areas.

Urban/metro—In 1993, 70 percent or more of the State's population resided in urban portions of metro areas.

Other (neither urban nor rural)—More than 45 percent but less than 70 percent of the State's population in 1993 resided in urban portions of metro areas.

Farming-dependent—In 1991-93, 4 percent or more of the total labor and proprietor income came from farm labor and proprietor income.

Persistent poverty—Fifteen percent or more of a State's persons had income below poverty in 1960, 1970, 1980, and 1990.

Retirement-destination—A State's aged (over 60) population in 1990 increased by 5 percent or more due to net inmigration from 1980 to 1990.

Federal Lands—The Federal Government owns 28 percent or more of total land in the State.

These State types are illustrated in figures 1-5.

Rural States include Alaska, Arkansas, Idaho, Iowa, Kentucky, Maine, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, South Dakota, Vermont, West Virginia, and Wyoming.

Urban States include Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Illinois, Maryland, Massachusetts, Nevada, New Jersey, New York, Rhode Island, Texas, and Utah.

Other States include Alabama, Georgia, Indiana, Kansas, Louisiana, Michigan, Minnesota, Missouri, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Virginia, Washington, and Wisconsin.

Farm-dependent States include Arkansas, Idaho, Iowa, Kansas, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.

Poverty States include Alabama, Alaska, Arkansas, District of Columbia, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, South Carolina, South Dakota, Tennessee, and West Virginia.

Retirement-destination States include Arizona, Florida, Hawaii, Idaho, Nevada, New Mexico, North Carolina, Oregon, South Carolina, Utah, and Washington.

Federal lands States include Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Regions:

Census regions—We used the conventional four Census-defined regions as follows:

Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Metro areas: Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or have an urbanized area of 50,000 or more and a total area population of at least

100,000. Additional contiguous counties are included in the MSA if they are economically integrated with the core county or counties. For most data sources, these designations are based on population and commuting data from the 1990 Census of Population. The Current Population Survey data through 1993 categorizes counties as metro and nonmetro based on population and commuting data from the 1980 Census. Throughout *Rural Conditions and Trends*, “urban” and “metro” have been used interchangeably to refer to people and places within MSA’s.

Nonmetro areas: These are counties outside metro area boundaries. In *Rural Conditions and Trends*, “rural” and “nonmetro” are used interchangeably to refer to people and places outside of MSA’s.

Budget Authority: The authority becoming available during the year to enter into obligations that will result in immediate or future outlays of government funds. In some cases, budget authority can be carried over to following years. It can take the form of appropriations, which permit obligations to be incurred and payments to be made, or authority to borrow, or authority to contract in advance of separate appropriations. Supplemental appropriations provide budget authority when the need for funds is too urgent to be postponed until the next regular annual appropriations act.

Obligations incurred: Once budget authority is enacted, government agencies may incur obligations to make payments. These include current liabilities for salaries, wages, and interests; contracts for purchase of supplies and equipment, construction, and the acquisition of office space, buildings, and land. For Federal credit programs, obligations are recorded in an amount equal to the estimated subsidy cost of direct loans and loan guarantees.

Outlays: This is a measure of government spending. Outlays are payments to liquidate obligations (other than repayment of debt), net of refunds and offsetting collections.

Direct loan: This is the disbursement of funds by the government to a non-Federal borrower under a contract that requires repayment, with or without interest.

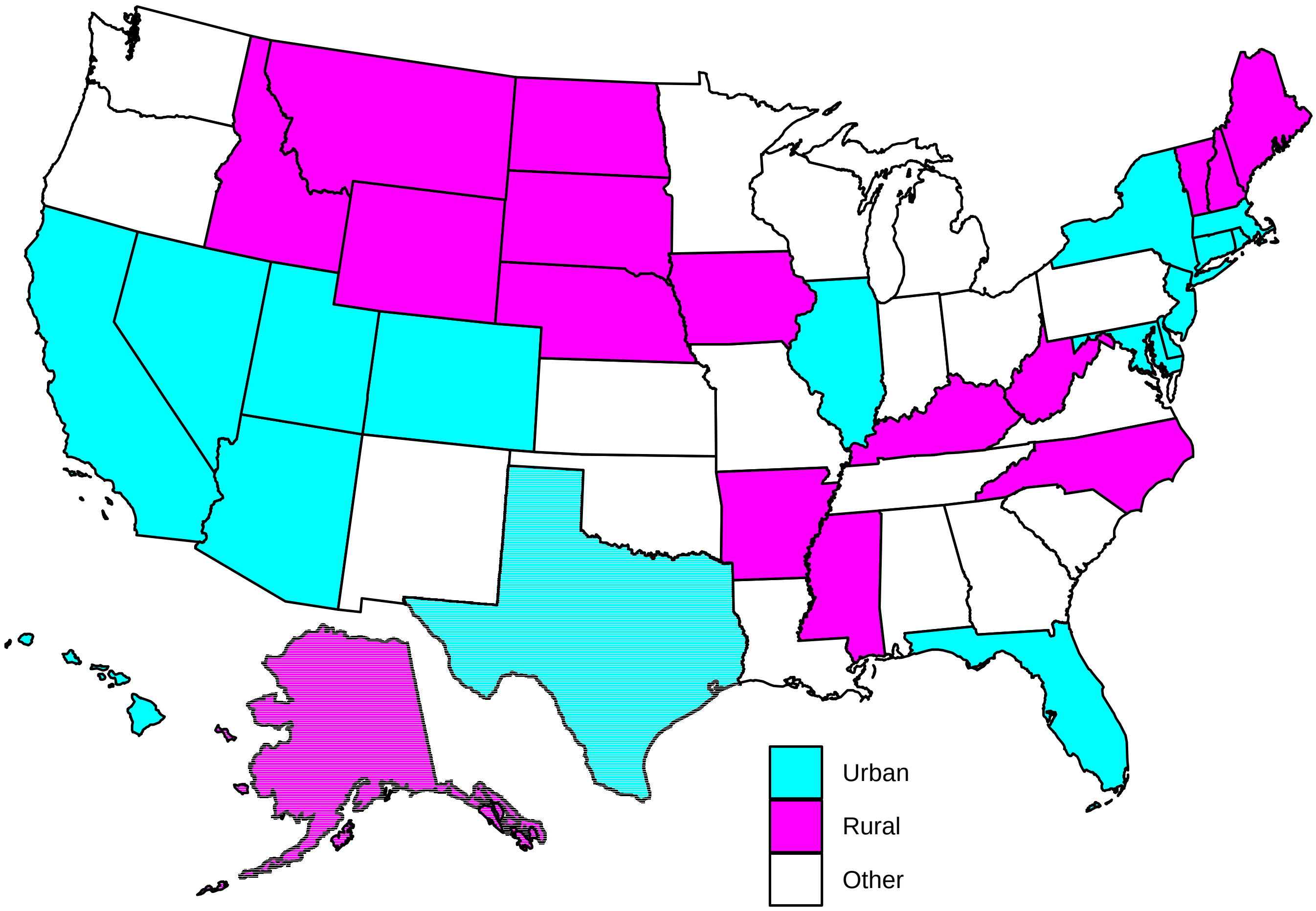
Loan guarantee: This is any guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender.

Fiscal year: A fiscal year is the government’s accounting period. It begins October 1 and ends September 30, and is designated by the calendar year in which it ends. *[Faqir Bagi, 202-219-0546, fsbagi@econ.ag.gov; Samuel Calhoun, 202-219-0584, scalhoun@econ.ag.gov; and Rick Reeder, 202-219-0551, rreeder@econ.ag.gov]*

Figure 1

Urban-rural typology, 1993

Rural States are mostly in the Northern Plains and the Southeast

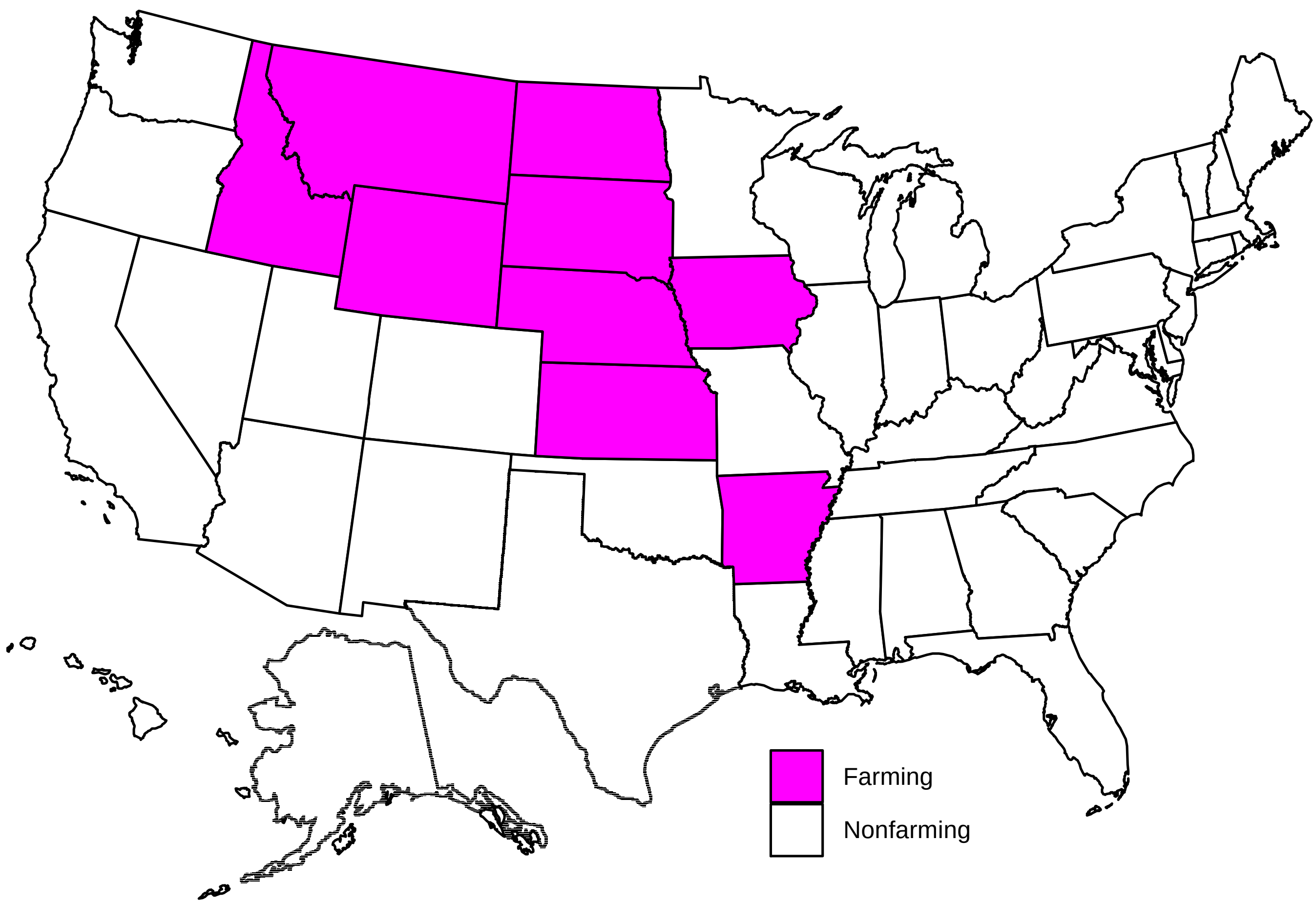


Source: Calculated by ERS using data from the Bureau of the Census.

Figure 2

Farming States, 1991-93

Farming States are concentrated in the Plains

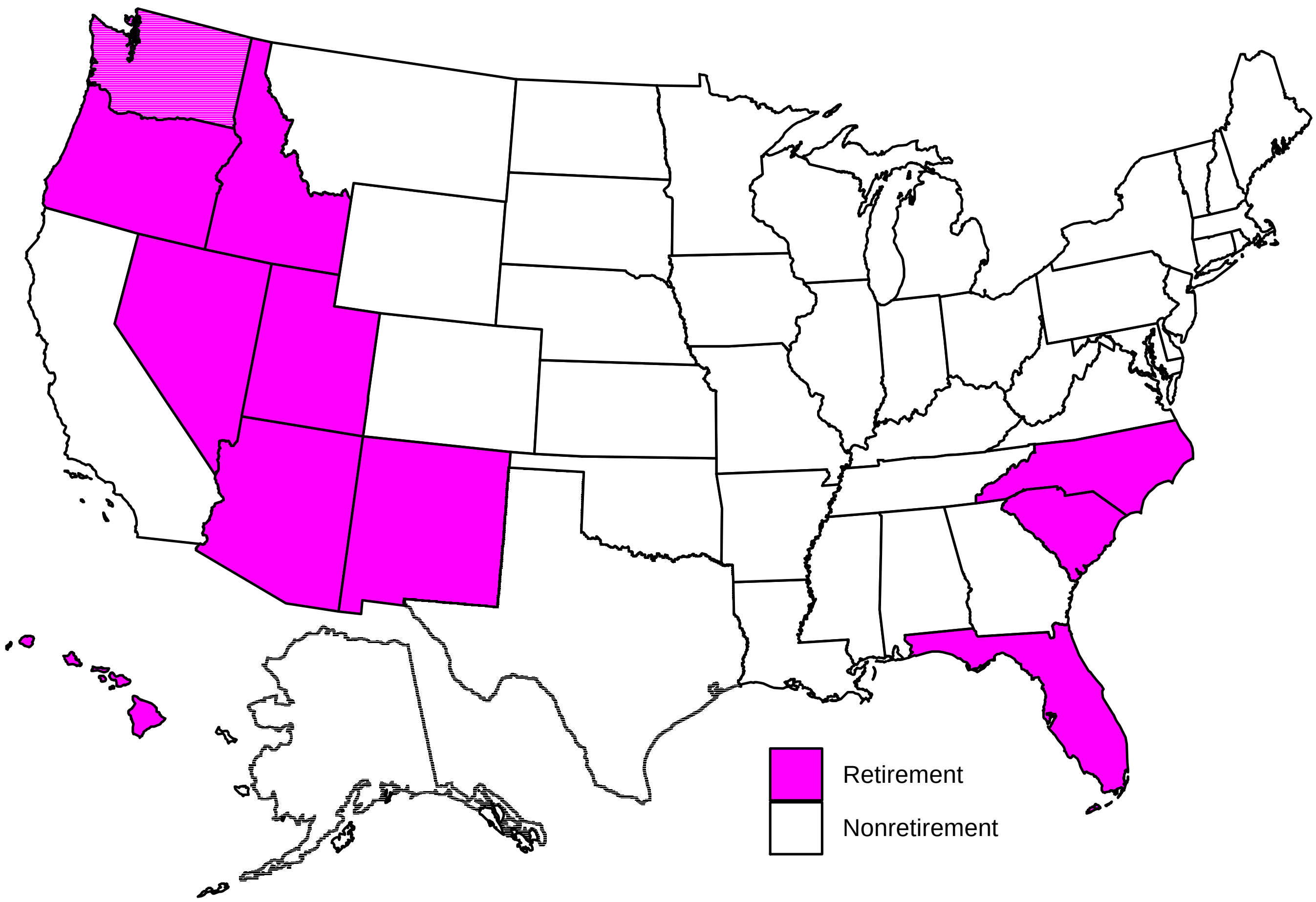


Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Figure 3

Retirement States, 1980-90

Retirement States are concentrated in the West and the Southeast

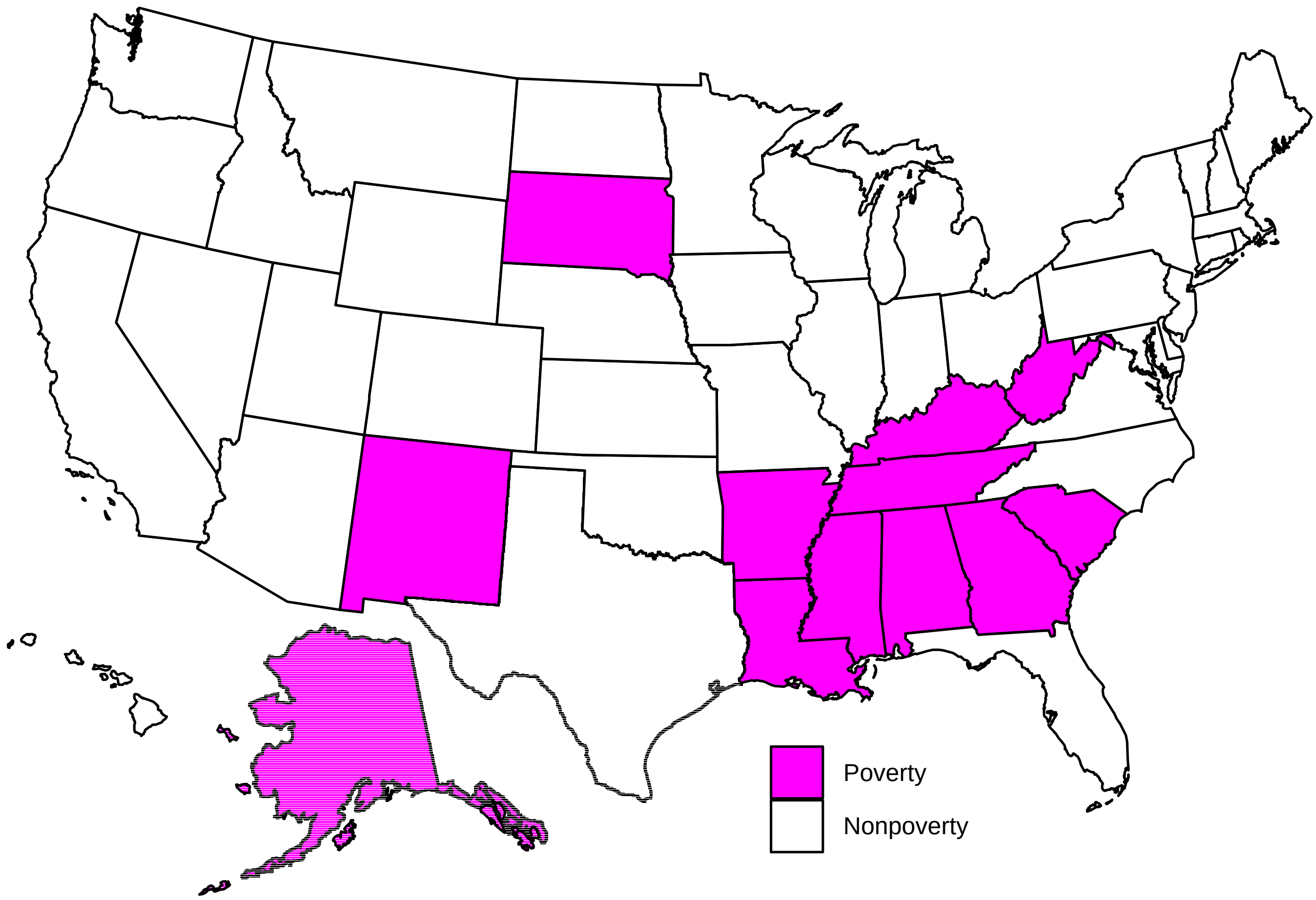


Source: Calculated by ERS using data from the Bureau of the Census.

Figure 4

Poverty States, 1960-90

Poverty States are concentrated in the Southeast

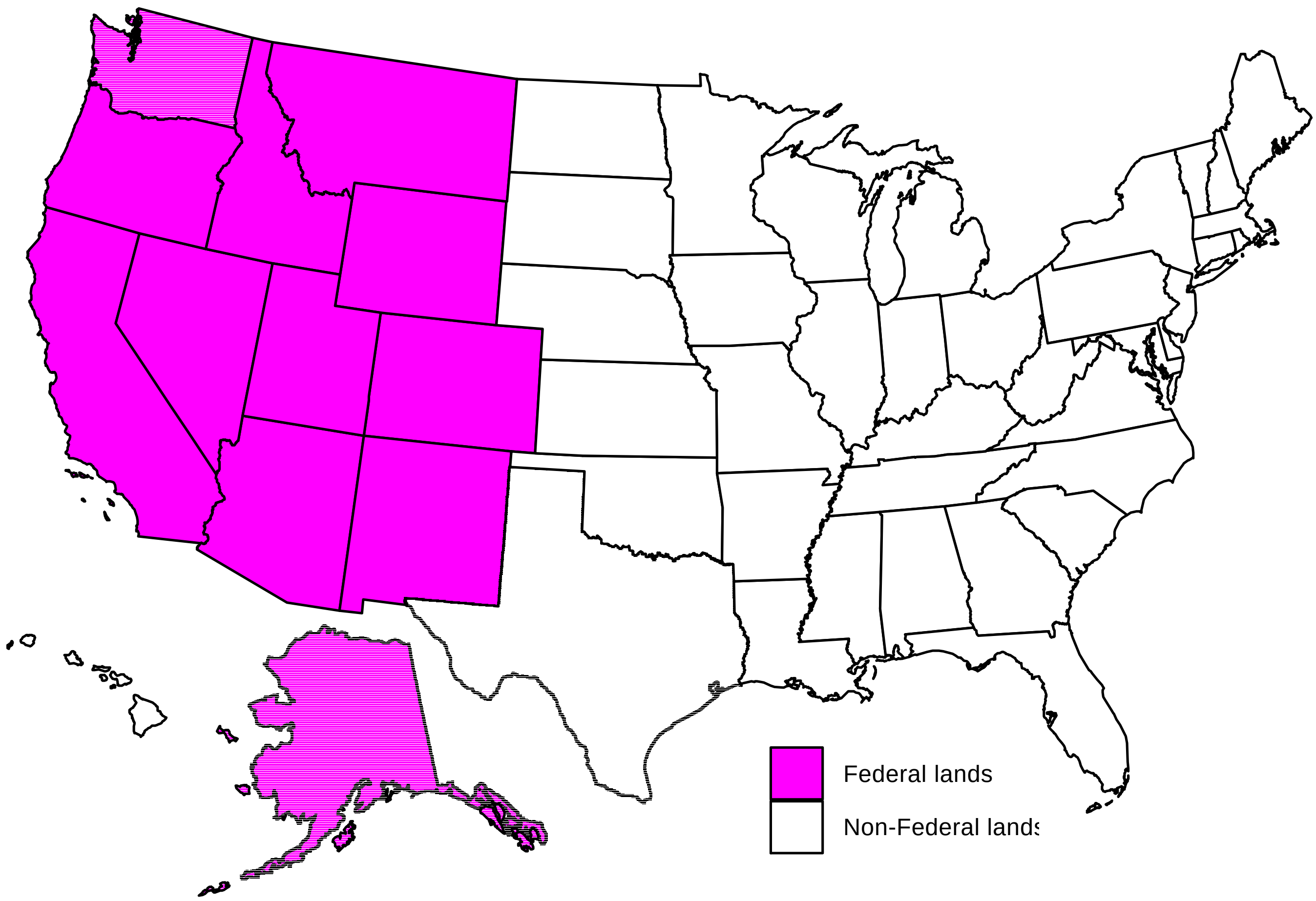


Source: Calculated by ERS using data from the Bureau of the Census.

Figure 5

Federal lands States, 1987

Federal lands States are concentrated in the West



Source: Calculated by ERS using data from the Natural Resources Conservation Service, USDA.